

## **Assembly Bill No. 1364**

### **CHAPTER 526**

An act to add Section 16482 to the Government Code, relating to public contracts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 11, 2009. Filed with  
Secretary of State October 11, 2009.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 1364, Evans. Public contracts: state bonds: grant agreements.

Existing law permits the modification of contracts by state agencies in specified instances.

This bill would provide that, notwithstanding any other provision of law, any state agency that has entered into a grant agreement for the expenditure of state bond funds where the state agency or grant recipient is, or may be, unable to comply with the terms of that agreement because of the suspension of interim funding for projects and contracts by the Pooled Money Investment Board on or after December 18, 2008, shall, with the consent of the grant recipient, have the authority to either renegotiate, modify, or eliminate the deadlines and timetables for and deliverables within the grant agreement in order to address the suspension or to terminate the grant agreement if no grant funds have yet been delivered thereunder. The bill would specify that it does not modify any act under which bonds are authorized to be issued or the State General Obligation Bond Law.

This bill would declare that it would take effect immediately as an urgency statute.

*The people of the State of California do enact as follows:*

SECTION 1. Section 16482 is added to the Government Code, to read:

16482. (a) Subject to subdivisions (b) and (c), and notwithstanding any other provision of law, any state agency that has entered into a grant agreement for the expenditure of state bond funds where the state agency or grant recipient is, or may be, unable to comply with the terms of that agreement because of the suspension of interim funding for projects and contracts by the Pooled Money Investment Board on or after December 18, 2008, shall, with the consent of the grant recipient, have authority to do either of the following:

- (1) Renegotiate, modify, or eliminate the deadlines and timetables for deliverables within the grant agreement in order to address the suspension.
- (2) Terminate the grant agreement if no grant funds have yet been delivered thereunder.

(b) Nothing in this section shall modify any act under which bonds are authorized to be issued or the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).

(c) The authority granted under this section is supplemental and in addition to any other authority provided under law. Nothing in this section, in and of itself, modifies any existing grant agreement rights and obligations.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit state agencies to take immediate action to make needed revisions to agreements, it is necessary for this act to take effect immediately.